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Revised PIERCE PROPOSED AMENDMENT #1

DATE PREPARED: May 14, 2012

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COMPANY: Arizona Public Service

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ALL CORP COMMISSION
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OPEN MEETING DATES: May 15, 2012

AGENDA ITEM: U-1

Page 38, Line 4

“One aspect of the Settlement Agreement that we remain concerned about is the potential escalation in the RES surcharge between 2012 and 2016, when APS files its next rate case. Upon approval of the Settlement Agreement, the RES surcharge will drop from \$0.009588 per kWh to approximately \$0.006962 per kWh and the associated average residential bill impact will drop from \$3.84 per month to \$2.78 per month. However, by 2016—even without considering the cost of new distributed generation incentives—the RES surcharge is expected to increase significantly.”

“Staff, RUCO, and APS have stated on the record that they will continue to evaluate whether APS has excess generating capacity in APS’ integrated resource plan processes. If the Commission determines that APS has excess capacity, or that APS has acquired generation resources imprudently, we reserve the right to, and put the parties on notice that we will, reopen this case pursuant to ARS § 40-252 to address the issue.”

Make All Conforming Changes

THIS AMENDMENT:		
_____ Passed _____	Passed as amended by _____	
_____ Failed _____	_____ Not Offered _____	_____ Withdrawn _____

Arizona Corporation Commission

DOCKETED

MAY 16 2012

DOCKETED BY *ZM*